MINUTES OF MEETING
BOARD OF DIRECTORS
REGULAR MEETING
THE WOODLANDS TOWNSHIP
MAY 27, 2009

THE STATE OF TEXAS §
COUNTIES OF HARRIS & MONTGOMERY §

The Board of Directors of The Woodlands Township, met in regular session, open to the public, on May 27, 2009, posted to begin at 9:00 a.m. The meeting was held in the Meeting Room at the Township's Office, 10001 Woodloch Forest Dr., Suite 600, The Woodlands, Texas, within the boundaries of the Township. The roll was called of the duly elected and appointed members of the Board of Directors, to wit:

Nelda Luce Blair Lloyd W. Matthews Bruce Tough

Chairman Vice-Chairman

Second Vice-Chairman

Vicki D. Richmond Treasurer/Assistant Secretary

Alex Sutton III Secretary
Thomas Campbell Director
Kemba DeGroot Director
Peggy S. Hausman Director
Claude Hunter Director
Edmund W. Robb III Director
Robert C. Kinnear Director

with all of said persons being present, thus constituting a quorum. Also present for conducting business and assisting Board members were Don Norrell, Nick Wolda, Steve Sumner, Anjanette Sauers, Mike Page, Renee Williford, and Kristin Freeman.

Chairman Blair then called the meeting to order at 9:01 a.m. She announced that a quorum was present and that sufficient notice of this meeting had been duly posted as required by law. Chairman Blair then requested a motion to adopt the agenda. Director Robb moved to adopt the agenda. The motion was seconded by Director Hunter and passed unanimously.

Next, Chairman Blair recognized the following public officials attending the meeting:

- Ed Chance-County Commissioner
- Joel Deretchin-President of The Woodlands Associations and Woodlands
  - **Commercial Owners Association**
- Anthony Fasone-The Woodlands Associations Board of Directors

A copy of the Public Official's Sign-In Sheet is attached hereto as Exhibit "A".

Chairman Blair then called on names from the Public Comment Roster. The following individuals addressed the Board:

- Jim Jenkins-check registers
- Adrian Heath-check registers (handout)
- Anthony Fasone-law enforcement
- Cindy Light, Jeannie Drake, Terry Hefferly, John Garry, and Karen Eckhart-VillaSport
- Robert C. Cook-not present (handout)

A copy of the Public Comment Roster is attached hereto as Exhibit "B".

Handouts are attached hereto as Exhibit "C".

Next, Chairman Blair asked the Board to consider and act upon approval of the minutes of the April 22, 2009 regular meeting and the April 22, 2009 special meeting of the Board of Directors for The Woodlands Township. Director Hunter moved to approve the minutes. The motion was seconded by Director Campbell. Director Hausman asked for clarification on the motion from the April 22, 2009 regular meeting regarding funding of police services provided by the City of Shenandoah and the City of Oak Ridge North in the amount not-to-exceed \$216,472. Following discussion, it was recommended that the April 22, 2009 regular meeting minutes specify that funding in the amount not-to-exceed \$216,472 for police services is the amount for each city. Directors Hunter and Campbell agreed to the change. The Board then unanimously voted to approve both sets of minutes. A copy of the April 22, 2009 regular meeting minutes, with said correction, and a copy of the April 22, 2009

special meeting minutes are attached hereto as Exhibits "D" and "E", respectively.

Chairman Blair then asked for a motion to move item #12 and then item #8 after item #5. Director Hunter made the motion and it was seconded by Second Vice-Chairman Tough. The Board unanimously approved the motion.

The Board was next asked to receive and consider a presentation from the Montgomery County Precinct 3 Constable's Office and Montgomery County Precinct 3 Justice of the Peace regarding public safety interlocal agreements with The Woodlands Township. Chairman Blair called on Steve Sumner, Vice President of Operations and Public Safety for The Woodlands Township, to present this item. Mr. Sumner introduced Constable Tim Holifield and Judge Edie Connelly. Each presenter then made a brief presentation about the services each agency provides. A question and answer period followed. At the conclusion of

discussion, Chairman Blair thanked both presenters for taking time out of their busy schedules to come before the Board. No action was necessary on this item. A copy of the Executive Summary is attached hereto as Exhibit "F". A copy of Constable Holifield and Judge Connelly's biographies are attached hereto as Exhibit "G", respectively.

Chairman Blair then asked Board members to consider and act upon a report from the Goodman Corporation regarding operation of the water taxis. Barry Goodman, President of The Goodman Corporation, was called on to make a presentation. Mr. Goodman discussed the status of the water taxi operation and its future. He referred Board members to a memorandum in their meeting books that outlined the existing operating framework of the water taxis, cost of operating the water taxis, and an alternative operating framework. A brief discussion period followed and then Chairman Blair thanked Mr. Goodman for his presentation. No action

was necessary on this item. A copy of the Executive Summary and Memorandum are attached hereto as Exhibits "H" and "I", respectively.

Next. Chairman Blair asked Board members to receive and consider a report from the Community Associations of The Woodlands. Chief Alan Benson, Co-Interim General Manager of The Woodlands Community Associations, presented the report. Packets of information containing a written summary of the Community Associations' Board agenda matters, Monthly Report for April 2009, and The Woodlands Community Policing Report for April 2009 were distributed to Board members. Additionally, a report on Media Coverage for the dates April 21-May 20, 2009 was The Community Associations' reports are attached hereto collectively as Exhibit "J". No action was necessary on this item.

Chairman Blair next asked the Board to receive and act upon the Financial Report as of and for the four months ended April 30, 2009. Chairman Blair called on Anjanette Sauers, Financial Services Manager for

The Woodlands Township, to present this item. Ms. Sauers referred the Board to the Financial Statements in their meeting books and then presented a brief update on the General Fund activity for the month of April. Board members also received an update on May's hotel occupancy tax deposits (HOT) in the form of a handout. Ms. Sauers then called on Fred Domenick, General Manager of The Woodlands Waterway Marriott Hotel and Convention Center, to make a few remarks. Mr. Domenick gave a PowerPoint presentation and updated the Board on hotel industry activity. Following Mr. Domenick's presentation, Director Kinnear moved to accept the Financial Report as presented and the motion was seconded by Treasurer Richmond. The motion passed unanimously. A copy of the Financial Report for the four months ended April 30, 2009 is attached hereto as Exhibit "K". The handout report on May's HOT deposits is attached hereto as Exhibit "L" and a copy of Mr. Domenick's PowerPoint presentation is attached hereto as Exhibit "M".

The Board was then asked to consider and act upon a recommendation from the Chairman of the Board of Directors for The Woodlands Township regarding the appointment of an Ad Hoc Water Taxi Committee of The Woodlands Township. Chairman Blair presented this item and recommended appointing an Ad Hoc Water Committee consisting of Chairman Nelda Blair, Director Kemba DeGroot, Director Peggy Hausman and Township staff Don Norrell and Nick Wolda. The Ad Hoc Committee would be charged with establishing a commitment to support the water taxi service in an amount not-to-exceed \$100,000 annually provided that a viable operation plan is developed. Chairman Blair noted that the Board would not be giving the Committee the authority to spend \$100,000, but rather, the approval to go forward and look at the possible operation of the water taxis within a framework of \$100,000. If a viable plan is developed, then the Committee would come back to the Board for approval. Following discussion, Vice-Chairman Matthews moved to accept Chairman Blair's recommendation. The motion was seconded by Director DeGroot and passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "N".

Chairman Blair then asked the Board to receive and consider presentations from The Woodlands Fire Department, Entergy and CenterPoint Energy regarding hurricane preparedness. Chief Alan Benson was called on to lead the discussion and gave a brief overview of hurricane preparedness measures taken since Hurricane Ike. In addition, Chief Benson spoke about current training for residential volunteers. Next, Lora Steen of Entergy and Chasta Martin of CenterPoint Energy were introduced. Each gave a PowerPoint presentation on changes their organizations have made since Hurricane Ike. Nick Wolda, Vice President of Marketing and Public Affairs for The Woodlands Township, and Mary Connell, Director of Community Relations for The Woodlands Community Associations, addressed communication measures being used to keep

residents informed prior to, during, and after future storms. It was officially announced that a broadcast partnership with K-STAR (99.7 FM) radio station had been established in the event of another storm. Mr. Wolda introduced K-STAR's news director, Beth O'Brien. No Board action was required on this item. A copy of the Executive Summary is attached hereto as Exhibit "O". PowerPoint presentations are attached collectively as Exhibits "P", "Q", and "R".

Next, Board members were asked to receive and consider a presentation from Houston Parks and Recreation Director, Joe Turner, regarding the Lake Houston Park Project. Mr. Turner used a PowerPoint slide presentation and updated the Board on the progress of the Lake Houston Park Project which will be worked on in three phases. Following Mr. Turner's overview, Chairman Blair clarified that *The Woodlands Fund* that Mr. Turner referred to is the Houston Regional Participation Agreement money that is being used to help fund this project. A brief

period of discussion followed and then Chairman Blair thanked Mr. Turner for his informative presentation. No action was needed on this item.

Chairman Blair then asked the Board to consider and act upon approval and payment of invoices for legal services rendered by The Woodland Township's legal counsel, Schwartz, Page and Harding, L.L.P. for the period of October 1, 2008 through March 31, 2009. Anjanette Sauers was called on to present this item. Ms. Sauers provided background information and then Vice-Chairman Matthews moved to approve the payment of invoices related to legal services. The motion was seconded by Director DeGroot and passed unanimously. A copy of the Executive Summary and invoices are attached collectively as Exhibit "S".

Board members next were asked to discuss a request from Board member Campbell regarding transparency of records of The Woodlands Township. Don Norrell, President for The Woodlands Township, was called on to present this item. Mr. Norrell provided background information and

reviewed what information the Township currently provides on line as well as what documents the Township is required to provide on line. Following Mr. Norrell's comments, Director Campbell was asked to provide comments. Director Campbell recommended that the Township put a list of checks on line and give a copy of the check register to Board members for their review. Discussion followed, but no action was needed on this item. A copy of the Executive Summary and related information is attached hereto collectively as Exhibit "T".

Chairman Blair then asked the Board to discuss a request from Board member Hausman regarding a proposed change to two Board meetings per month. Don Norrell introduced the item and then Director Hausman was asked to provide comments. Director Hausman stated that she believed it would be beneficial to the residents to have more meetings. A period of discussion followed. Chairman Blair suggested that perhaps a better time to look at this concern would be after the May

2010 election. No action was needed on this item. A copy of the Executive Summary is attached hereto as Exhibit "U".

The Board then received a recommended slate of Officers from the Committee on Governance and Nominations. Director Robb, Chair of the Committee on Governance and Nominations, was then called on to present a recommended slate of officers. Director Robb informed the Board that the Committee recommended keeping the existing slate of Board officers for the 2009/2010 term. A copy of the Executive Summary is attached hereto as Exhibit "V".

Chairman Blair next asked the Board to consider and act upon election of Officers for the Board of Directors of The Woodlands Township. Mike Page, legal counsel for The Woodlands Township explained the election process. Director Hausman stated that she feels there is a conflict of interest having Treasurer Vicki Richmond and Secretary Alex Sutton serve as officers on The Woodlands Township's Board of Directors

due to their employment with Woodforest National Bank and The Woodlands Development Company, respectively. Directors then voted, signed, and turned their ballots in to Mr. Norrell to be tallied. The following officers for The Woodlands Township Board of Directors were elected by signed ballots:

Nelda Luce Blair Chairman

Lloyd W. Matthews Vice-Chairman

Bruce Tough
 Second Vice-Chairman

Vicki D. Richmond Treasurer/Assistant

Secretary

• Alex Sutton III Secretary

On behalf of the officers of the Board, Chairman Blair thanked the Directors for the confidence they placed in them. The election ballots and tally sheet are attached hereto as Exhibit "W".

The Board was then asked to consider and act upon a recommendation from the Committee on Governance and Nominations regarding amending the officer position title of Second Vice-Chairman to Vice-Chairman. Director Robb was called on to present this item. He explained that the Committee's intent was to have two Vice-Chairman positions when the matter of adding a fifth officer position was originally approved. Director Kinnear then moved to amend the officer position title of Second Vice-Chairman to Vice-Chairman and Director Campbell During discussion, Director Hunter raised a seconded the motion. question regarding who would chair meetings during the Chairman's absence. Director Robb indicated that the Vice-Chairman with the most seniority would be the appropriate person to chair the meeting. Following discussion, the Chairman called for a vote and the motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "X".

Chairman Blair then stated that there was no need for Executive Session. The Board was then asked to receive the Administrative Reports. Chairman Blair called on Nick Wolda to present the Marketing Report. Mr. Wolda used a PowerPoint presentation and highlighted the following: new television spots promoting The Woodlands, Public Relations activities in community publications, Wine & Food Week in The Woodlands, and events set around 4th of July and the Red, Hot & Blue Steve Sumner reported on the following: new signage at Festival. Waterway Square, information on efforts to reduce burglary of motor vehicles, and an update on the trolleys. Mr. Sumner also recognized the newest DPS Sergeant, Angela Fountain.

Next, Board members were asked to consider items to be placed on the agenda for the next meeting. Director Hunter asked to have an action item on two meetings per month and Director Robb asked that the Board discuss and take action, if necessary, on the VillaSport issue.

Chairman Blair then asked the Board if there were any

announcements. Director Robb thanked the officers of the Board for their

time and service.

As there were no further matters to come before the Board.

Chairman Blair called for a motion to adjourn. Director Hunter moved to

adjourn the meeting. The motion was seconded by Director Campbell and

passed unanimously. The meeting was adjourned at 12:03 p.m.

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Alex Sutton III
Secretary, Board of

(SEAL) Directors

## **EXHIBIT OMISSIONS\***

EXHIBIT "A" EXHIBIT "M"

EXHIBIT "B" EXHIBIT "N"

EXHIBIT "C" EXHIBIT "O"

EXHIBIT "D" EXHIBIT "P"

EXHIBIT "E" EXHIBIT "Q"

EXHIBIT "F" EXHIBIT "R"

EXHIBIT "G" EXHIBIT "S"

EXHIBIT "H" EXHIBIT "T"

EXHIBIT "I" EXHIBIT "U"

EXHIBIT "J" EXHIBIT "V"

EXHIBIT "K" EXHIBIT "W"

EXHIBIT "L" EXHIBIT "X"

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